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as yet has; a most intimate knowledge not only of the events of history, but of the growth of literature, art, industry, and religion, plus the quality of mind necessary to see all these things in their relations and interrelations, it would be remarkable if Professor Patten's reach did not much exceed his grasp. His book is one most welcome, and all thoughtful students of history will be thankful that he has published his *Beiträge* as they are and not left them in the form of notes in his desk waiting until he should be endued with omniscience.

Historical writing has been for some time in the stages which Spencer calls the "instability of the homogeneous" and the "multiplication of effects;" with this book the stage which may be called "segregation" is reached. Crystallization has appeared in spots, but the source of English history is by no means yet written as an organic unity. "Suggestions for a psychologic interpretation of English history," or "an economic interpretation of some phases of English thought," would express more clearly what is contained within the covers of this book. It should be viewed as a frank expression of the *status quo* of Professor Patten's mind, and as a starting point for other writers upon the same subject; and all criticisms of it should be taken as other groping attempts to co-operate in constructing the desired interpretation of history. Most critics will probably attempt to show how far it falls short of a complete and comprehensive treatment of the subject; how it by no means recognizes all the dynamic forces which have gone toward determining the course of English thought; how unscientific it is viewed from the standpoint of accuracy of statement and proof for assertions; how very vulnerable it is in many points. Few critics, however, will attempt to show how it ought to have been written, and perhaps no one will write a better one for a long time.

Certainly it should be regarded from the evolutionary point of view, and not as the last word to be said on the subject.

C. M. HILL.

Municipal Monopolies: A Collection of Papers by American Economists and Specialists. Edited by EDWARD W. BEMIS, Ph.D., Professor of Economic Science in the Kansas State Agricultural College. New York: T. Y. Crowell & Co., 1899. Pp. vi + 691. \$2.

THIS is one of the series of works published under the general editorship of Professor R. T. Ely, and known as the Library of Eco-

nomics and Politics. The volume consists of six chapters (and one note or appendix), by six different authors. Mr. M. N. Baker, of the *Engineering News*, writes on waterworks; Professor John R. Commons writes on municipal electric lighting; Professor Bemis writes four chapters on (1) the latest electric light reports, (2) street railways, (3) gas, (4) regulation or ownership; Professor Frank Parsons two chapters on the telephone, and the legal aspects of monopoly, respectively, while Professor F. A. C. Perrine, of Leland Stanford Jr. University, writes an excellent note or appendix to the chapters on electric lighting in which he sets forth the extreme difficulty of making comparisons in this industry.

It would appear at first sight an almost insuperable task to undertake to criticise the work of so many authors within the limits of a brief review. This, of course, would be the case if one should attempt to go into great detail, but the purposes of this JOURNAL make such treatment unnecessary. The work divides itself roughly into two parts. The first consists of the essays by Messrs. Baker, Perrine and West, and the second of the remaining ones. The second part (or group of essays), makes up the major portion of the work. Letting these essays, for the moment, stand for the whole work, it may be said that one is much more impressed with the uniformity in matter, method and character of the work than with any variety in detail.

The statement in the preface (p. vi.), that "The writers of the following chapters are in more or less pronounced sympathy with an extension of public ownership of these monopolies," gives the key to the situation, and implies what proves to be the case, namely, that the work is a part of the propaganda for municipal ownership and operation of these industries.

Professor Commons lines up to the preface by declaring in his first sentence that in advocating municipal electric lighting he accepts the burden of proof. He immediately explains his attitude further by referring (p. 68) to the work of Mr. H. A. Foster as "undoubtedly the ablest and most candid of all the investigations made from the standpoint of those who defend private ownership," and to Professor Frank Parsons as "giving the most painstaking and exhaustive statistical analysis of electric lighting yet made from the standpoint of those who favor municipal operation."

This is not the place to express any opinion on the general question of the best form of ownership and operation of any industry. But

it seems proper to inquire whether any piece of work characterized by the above language can, scientifically speaking, be called an investigation; and whether it is probable that the best form of ownership is likely to be found out by anybody with more or less pronounced sympathies, advocating a cause or defending or favoring any form of ownership.

Professor Commons piles statistical table upon statistical table and attempts to correct and reduce to a common unit figures taken from different reports, kept by different men, on different systems, in different parts of the country, and under different physical and market conditions. Probably many of his criticisms on the work of Foster, Parsons, and Francisco are well deserved. It is not my purpose to enter into any detailed consideration of his tables. But in view of the unquestioned laxness and variety of bookkeeping in public and private works, and in the general municipal accounts, I feel that one should approach the statistics of so new an industry as this with the awe natural to one in the presence of a great mystery. Nor does the statement of Professor Commons (p. 58), that "fifteen years of experience and marvelous inventive progress have reduced electric lighting to a system and made all its parts and details as readily calculable as any of the functions in which cities are now engaged," strengthen my confidence in the data on which his comparisons are made. The note in this volume by Professor Perrine (pp. 286-289), is an excellent caution on the use of such data.

But passing over the question of the correctness of Professor Commons's original data and assuming for the moment that he has successfully reduced his statistics to uniformity, he (and Professor Bemis, also) appears to have adopted certain methods, especially in dealing with capital charges, in their comparisons between public and private works which are not recognized by any sound accepted financial principles and are not established by any reasoning in this volume.

Notwithstanding Professor Commons's statement quoted above in regard to the stability of the electric lighting industry, it would seem to require no proof to show that the industry is so new as to leave many elements of doubt as to the true charge for depreciation. This item would appear to me not capable yet of statistical treatment from experience, but to depend much more on estimates. On the character of these estimates will depend largely the outcome of the comparisons of cost. For Professor Bemis, who agrees with Professor Commons

on the point under consideration, admits (p. 186) what everybody knows, that it is "indeed difficult to gather statistics of any value upon electric and gaslighting," and, further acknowledges that it is impossible to find out even so simple a fact as at what date public ownership was begun in more than about two hundred out of about three hundred and fifty public plants. It is, therefore, necessary for them to take the figures in the published reports for depreciation in the public plants which have not been running long enough to show the true depreciation, and to compare these figures with those for the private plants. But the only figures they get for the private plants are the amounts charged for public lighting. No pretense is made of knowing how much profits the private plants make or how much the owners of these plants pretend they suffer from depreciation. These three authors "assume" that 3 per cent. per annum is an ample allowance for depreciation. The results reached in such a comparison as that on page 143, where none of the public plants involved have been running more than a decade, and several of them not more than half a decade, seem to me to depend entirely on the assumed rate of depreciation and interest.

It is difficult to disprove the results reached in the many statistical comparisons made by Professors Bemis, Commons, and Parsons, but in view of all the facts, it appears equally difficult to place confidence in the methods by which they are obtained, or in the results themselves. Professor Commons (p. 133), speaks of a correction of his (Foster's) guesses and mistakes of method. An opponent of Professor Commons by using methods similar to his, might possibly correct his "guesses and mistakes of method," and thus re-establish the very conclusions Professor Commons has overthrown. In fact I am not sure that by the methods adopted it might not be possible to prove and disprove the same proposition alternately *ad infinitum*.

But the assumption of an annual depreciation of 3 per cent. by these writers seems, upon closer view, to be made solely for the sake of appearing liberal. Professor Commons declares that in strict justice something should be charged off to depreciation in a private, but not in a public plant. This view rests on a kind of reasoning that I am unable to follow in its entirety (pp. 108-133). But there are certain parts of the argument that seem to form the very foundation stone of this propaganda and to be not only unsound in theory but dangerous in practice: I refer to the relation of taxes, insurance, depreciation

and sinking fund to the true cost of a publicly owned plant. So far as I am able to follow both Professor Bemis (pp. 235 and 272), and Professor Commons on these points, their view is that these items may be almost, if not entirely, ignored in the case of public, but not in that of private lighting plants. This position apparently rests on the assumption that these charges are necessary to keep up a private plant, while a public plant can be periodically renewed or replaced at any time by means of taxation, and that the amount of taxes needed at any one time is so small as to be properly negligible. Is it possible that in this view we have the philosophy of the poor boy who steals from his rich employer on the ground that the employer is so rich that he will never feel the loss? Does this philosophy correspond to the widespread feeling in America that it is not quite so heinous a crime to steal from the public or from a rich private corporation as from a private citizen? This position is illustrated by Professor Commons (p. 108) where he refuses to include insurance in the items of expense in operating a municipal plant, because "the loss by fire when spread over the tax rolls would cause but an insignificant increase of taxes." Again, in his own words (p. 111), "depreciation is only an estimate of curious interest and does not actually enter into the bookkeeping of the municipal plants." He illustrates (p. 119) the negligible quality of charges for depreciation by figures from the public electric lighting plant of Detroit. He estimates that $\frac{1}{2}\%$ (5 per cent., not 3) of the plant requires to be replaced each year, and declares that in the case of a similar private plant this would require an assessment of 6 per cent. on the stock, while the increased tax rate on all the property of Detroit would be but $\frac{2}{100}\%$ of 1 per cent. He clinches this argument on this point with the remarkable statement (p. 120) that "the capital stock in the one case would be wiped out but in the other the taxpayers would be unaffected." Probably for the same reasons he asserts (p. 133) that computations for lost taxes on municipal plants "probably should be excluded altogether," and that in comparing the cost for public and private plants interest in the case of the public plant should not be computed on the total cost of the plant, but "only on the outstanding debt" (p. 135).

Professor Commons, apart from assuming much of his data, sometimes appears to assume the very thing he starts out to prove. For example he says (p. 174) that "nine tenths of the existing municipal corruption and inefficiency result from the policy of leaving municipal

functions to private parties." The clear assumption here is that the operation of the industry in question is a proper municipal function. But that is the very thing he started out to prove. Nor does our author seem to me consistent when he names the reforms "necessary to accompany or precede municipal ownership" (p. 178). For if the propaganda for municipal ownership means anything, it means an effort for ownership under present conditions. But the opponents of municipal ownership base their opposition on the existence of the very evils which Professor Commons enumerates at this point. It may safely be said that the scientific world, at least, has lost all interest in the purely academic questions of whether or not certain functions are proper municipal functions in all ages and in all countries, and concerns itself with the much more practical question as to whether or not a given industry may wisely be undertaken by a given city, under certain existing conditions.

The essays by Professors Bemis and Parsons require no extended special notice, because what has been said about the essay of Professor Commons applies in general with equal force to their work. It is true that their style is not quite so good as that of Professor Commons, and that in general they are somewhat more apt to strive to get together all the alleged facts in the universe, and, having got them, to treat them all as of equal value. A good illustration of this is found (p. 348, Parsons) in the paragraph beginning: "It is reported in the papers." I have discovered more mistakes in regard to easily verifiable facts in the work of Professor Bemis than in that of the other two. For example, the statement (p. 597) in regard to the incorporation of the Bay State and the Brookline Gas companies of Massachusetts, without regard to the commission. Both of these companies were incorporated, the one under general law, the other by special act, before the act creating the Gas Commission was passed.

Professor Bemis often weakens the force of his argument by the frequent and somewhat indiscriminate use of strong adjectives. For example, within three consecutive pages, 611-613, we find that Alexandria is "famous" for its grass-grown streets; that Fredericksburg was the scene of a "famous" battle; that Charlottesville is the site of the "famous" University of Virginia; that Wheeling is "famous" for its low charge for gas; that the management of the city engineer of Danville is "excellent," and that Bellefontaine has had "great" success with city ownership.

This writer also has a happy faculty of stating and then minimizing the importance of any facts adverse to his theory, in a way not at all satisfactory to anyone who is not advocating the cause he is supporting. His comments (p. 602) on the recent lease of the public gas works in Philadelphia to a private company are in point here. This simply illustrates "the extent to which powerful corporate influences will weaken and corrupt government for their own ends when the people is asleep and the spoils system is allowed to prevail."

"The works under public operation would have shown better results than were obtained, had it not been for the spoils system, general inefficiency and unprogressiveness. There had been improvement in these respects since direct popular control of the works was secured in 1887, but not as rapidly as at first seemed likely. The responsibility for this, of course, rested upon the whole community. It had not been sufficiently imbued with the spirit of municipal reform, which, starting in Great Britain, is rapidly sweeping over America."

This passage is typical of a large part of the argument in these essays. This may be to some minds a convincing argument for public ownership under present conditions, but others may still fear that the obstacles encountered in Philadelphia exist elsewhere, and, as a result, they may agree with Professor Commons that certain reforms ought either to accompany or precede municipal ownership.

At the bottom of page 620 Professor Beins by implication relegates to an unimportant position what appears to the present writer as one of the most important questions in connection with these or any other industries. I refer to the possibility and probability under the one form of ownership or the other of scientific progress. While these essayists are confining themselves, consciously or unconsciously, almost entirely to questions connected with the distribution of existing wealth, it may turn out that anyone who will show under which form of ownership the greatest scientific progress is possible in these industries will render all the statistics of this volume, even though they be correct, comparatively unimportant. For, in the long run, it is more important for human welfare that a given desirable commodity should be produced at a trifling economic cost, than that the inhabitants of any city should have gas or electricity at any one time for a relatively low price, or that any private company should at any one time make any particular rate of profits. For prices and charters and legislative acts change and disappear, but a genuine advance in science,

which gives man increased power over nature becomes the heritage of all the ages.

All the essayists of this group lay great stress on the comparatively low rate of interest at which cities can borrow. Cities unquestionably borrow today at an advantage over the average rates paid on loans by private companies. How much of this difference is due to the legal debt limit of the cities it would be difficult to say. What the effect of adopting the wholesale municipalization advocated in this volume, with the consequent removal of the debt limit, would be on the rate for city loans is an interesting question. A study of the era of repudiation of American state debts might throw some light on this question.

The chapter on the legal aspects of monopoly by Professor Parsons is, so far as I know, the most elaborate summary of the legal decisions on monopoly easily accessible to the general public, and, as such, will prove of great service. The author in his comments does not always seem to distinguish between the legal and the ordinary meaning of terms. For example, near the bottom of page 474, where one at first expects a purely legal statement, one must consider the word "right" used in an ethical sense, or the passage becomes absurd.

Let us return to the other group of essays. The writers of this group may believe in the extension of municipal functions, but they have kept their sympathies largely in the background, and have for the most part used undisputed data for their reasoning. Professor Perrine's note is explained from its title, and is written from the standpoint of an engineer.

Mr. Baker gives us the historical facts in regard to the form of ownership of waterworks in the United States and states the theoretical arguments for and against public ownership with fullness and apparent fairness. He does not attempt to prove anything statistically and justifies this apparent omission by saying (p. 50): "I have not compared the cost of water under the two systems: because without going into the subject in great detail such a comparison would be very misleading. Water rates, both public and private, are on a most unscientific basis." He decries the practice on the part of private companies of keeping their financial figures secret, and closes with a statement (p. 52) that might well have been taken to heart by his fellow essayists, namely, that "the bookkeeping of both public and private works is often so poor that little can be learned from it when available."

The chapter by Dr. West on franchises in New York City is purely historical. It furnishes a good, convenient and desirable sketch of the formal side of the relations of the public to the franchises granted in that city.

Although the work as a whole seems to me seriously defective in scientific spirit and method, it would be far from correct to suppose that it does not have great value. It shows in almost every chapter the results of great energy and perseverance in gathering material and an honest effort to work up the material into attractive form. It doubtless will be widely read, and will surely be instrumental in calling increased attention to some of the most serious problems with which our age has to deal. So far as the work has faults, they will be pointed out and corrected, while the interest created in the subject by so readable a book will remain and work towards the solution of these problems.

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Industrial Cuba. Being a study of present commercial and industrial conditions, with suggestions as to the opportunities presented in the island for American capital, enterprise, and labor. By ROBERT P. PORTER. New York: G. P. Putnam's Sons. 8vo, pp. vi + 428. Price \$3.50.

Commercial Cuba. A Book for Business Men. By WILLIAM J. CLARK. New York: Charles Scribner's Sons, 1898. Pp. xvii + 514. Price \$4.

THERE is a special significance in the titles *Commercial* and *Industrial Cuba*. With the final evacuation and pacification of the island, the political and moral aspects of West Indian problems have lost much of their importance. Economic considerations are now pushed to the fore, and interest centers about the commercial results of political changes.

Ignorance of Cuban conditions and Cuban possibilities has been quite general in the United States, and, while it is necessary to enlighten those who believe Cuba to be virgin soil which offers unlimited possibilities for investment under the protection of the United States, it was, also, important to show the real possibilities for industrial and